App. F. IX-4

Previous References. P 8 E (1944-45 98C)

File No. 43-44

Serial Nos. 38, 42.

Later References.

GENERAL AND REVENUE SECRETARIAT

Serial Nos. 2

Part B for 2/46

SUBJECT

Requirements of capital goods procurement of plant from United Kingdom —

H. Nanjachar 19/3/46

Requirements & Capital goods - Re
Procurement & Plant

3527

General and Revenue Secretariat | File No. 43/ of 1944. | Dep. F. III-2

Serial No.	
	Letter no. R.2.523(C)45. Pol dated 8/12/45 from the Residency forwarding for issue a App & note of Mr. Norman Neville re. the availability of capital goods in Nepal.
	Submitted for perusal.
	Copies may be sent to the Comm: Dep't., G.H.Q. Line of Communication, B.M.I.C. for information.
	Put memo on the file for appl'n or other orders.
	Issue and put up for perusal of the Secy.
	D. 5181-3 A. 10-1-46.
	To the Comm. E.D.&P. Communications, B-M-I., G.H.Q., Gm. S.S.&P.
	Forwards copy of letter no. R.F.523(1) dt. 8-12-45 for info.
	Resubmitted as directed

OFFICE OF THE MINISTER FOR PUBLIC WORKS
3 FEB. 1946
5702

OFFICE
7 FEB. 1946
4664

NOTE—Contn. Sheet.

3511 9fc-43-44-38 Pol 1693

No.R.F.523(1)-45/Pol.

From: The Secretary to the Hon'ble the Resident in Mysore.
To: The Secretary to the Government of His Highness the Maharaja of Mysore, Development Department.

Bangalore, 8th Decr. 1945.

537 10/12 Ca

Post-war Industrial Development - Requirements of Capital Goods - Procurement of Plant from the United Kingdom.

Sir,

I am directed to forward for information a copy of a note by Mr.Norman Neville, Director of the British Chemical Plant and Food Machinery Manufacturers' Association, who is now on a short visit to India.

Memo D 5781-3 of Col.

I have the honour to be,
Sir,
Your most obedient servant,

Copy to (1) Comm. Dev. (2) E. Sec. (3) Commerce, B. & M. for info.

for SECRETARY TO THE RESIDENT.

18/12 Dev Dept

DEPA

BI

Draft

Class for telegrams	INLAND:	FOREIGN:
	Immediate	Immediate
	Important	Important
	Express	Ordinary
	Ordinary	Without prior

To be issued on	Issued on
1st Reminder	
2nd Reminder	
3rd Reminder	
Heading:	
Case or Diary No.	

If post copy of telegram required

Date of despatch of above

List of enclosures

(Code word for telegram

Copy of note by Mr.Norman Neville, Director of the British Chemical Plant and Food Machinery Manufacturers Associations.

1. Since my arrival a few weeks ago to investigate India's long-term chemical plant and food machinery requirements, I have been much surprised at the impression that seems to prevail that the U.K. is not in a position to give reasonable deliveries, and I think that it may be useful if I help to put the matter in better perspective by stating the case of the average British manufacturer of capital equipment.

2. I am purposely dealing with the capital equipment industries because India, with her urge towards industrialisation, is particularly interested in equipping her industries as quickly as possible, and because I know more about them than about the consumer goods industries.

3. The British manufacturer has hitherto been handicapped by having had to devote practically all his capacity and staff to the tremendous war effort which Britain has made. But now that peace has returned, he is equally keen on recapturing and developing his pre-war export market. And he is in fact compelled to do so, for under the controls which still remain in force in the U.K., he will not get supplies of raw materials and of labour unless a very considerable proportion of his output is earmarked for customers abroad. Export orders are being given priority over all but the most urgent of home orders, and India ranks high amongst the countries to which preference is given. Indian buyers can rest assured, therefore, that their requirements will be executed with the greatest possible despatch, and that British manufacturers can be relied on to adhere to, and in many cases improve on, the deliveries which they offer.

4. But there are ways in which the Indian buyer can very materially assist the British manufacturer so as to secure quick acceptance and execution of his orders, and it is to certain difficulties which the British manufacturer is experiencing in dealing with Indian business that I particularly wish to draw attention:

5. India's capital equipment requirements fall broadly under two headings, i.e. (a) Individual items of equipment for which it is relatively easy to quote on the basis of catalogue prices, (b) Complete unit process or the equipment of complete factories, which cannot be dealt with so rapidly.

6. For his part, the British manufacturer is still handicapped by shortage of staff for handling the mass of enquiries he is receiving from all parts of the world. It is, therefore, of the utmost importance that enquiries for both kinds of equipment should be as precise and explicit as possible, for vague enquiries necessitate references back for further information and, therefore, much loss of time. And, when a manufacturer is faced with a choice between a vague enquiry and a precise request for a quotation, it is naturally the precise request which will be attended to first.

7. ~~Secondly, the British manufacturer wants~~ to be assured that the enquiries which he receives are made with serious intent. Any time he wastes on enquiries which are not likely to lead to business, diminishes the time he can spend on serious enquiries. Every British manufacturer of repute is being overwhelmed by Indian enquiries and, if he finds on investigation that a large proportion of these are without serious intent he will inevitably be prejudiced against them all and the genuine enquiry will be lost in the welter of spurious ones.

8. Then, when a quotation is accepted, it usually takes some months before import licences are received, and from personal investigation in New Delhi I have found that very often this is due to the buyers failing to file their applications for registration under the Capital Goods Registration Scheme even when they have placed provisional orders with the suppliers. Thus, by the time an order is put into execution, more time has often been frittered away than the longest terms of delivery now being quoted.

S. S.
M/C/P/C—S5—1595/S&P/MFP—(M.941)—6-3-58—60,000 Pads

9. Referring particularly to contracts for complete factories, one of the greatest difficulties has been the shortage of designing and drawing office personnel, for most engineering industries have gladly lent such specialists to Service requirements, and without them it would have been impossible to develop atomic energy, to create the new weapons that defeated the enemy, and to design the thousand and one items of equipment required in modern warfare.

10. These men are now being returned with all the added experience they have gained, and we shall be able to deal with such projects as quickly as countries like India can train industrial personnel to operate their new factories.

11. My advice to Indian buyers is to be explicit as to their requirements, provide evidence of the seriousness of their enquiries, such as Registration numbers, and spread over their orders as much as possible.

Ten.

Letter No. R. F. 523(1)-45/Pol. Dated 8th December 1945 from the Secretary to the Hon'ble the Resident in Mysore, Bangalore, to the Secretary to Government of Mysore, Development, Bangalore.

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POST-WAR INDUSTRIAL DEVELOPMENT - REQUIREMENTS OF CAPITAL GOODS PROCUREMENT OF PLANT FROM THE UNITED KINGDOM:

I am directed to forward for infomation a copy of a note by Mr. Norman Neville, Director of the British Chemical Plant and Food Machinery Manufacturers' Association, who is now on a short visit to India.

Enclosure:

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9 Fe. 43-44-42

Memo.No. D 51.81-3

GENERAL & REVENUE SECRETARIAT

Bangalore, Dated the 10 January 1946.

Copy is forwarded, with compliments, to:

9/1

SECRETARY TO GOVERNMENT
DEVELOPMENT DEPARTMENT